
**Brakke Consulting's
Animal Health News & Notes for November 23, 2016**
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**BRAKKE CONSULTING, INC.
UNDERSTANDING THE OVER-THE-COUNTER MARKET**

Whether your business is considering the OTC channels for new business opportunities or you have been distributing in the OTC channels for years, Brakke Consulting's team can provide significant and quality assistance to businesses seeking to learn more about the details of the OTC channels of distribution. If you are looking for meaningful insights into the OTC channels, the trends found there, and the opportunities that exist, contact our Dallas office or Joel Adamson at jadamson@brakkeconsulting.com.

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COMPANY EARNINGS RELEASES

- Patterson Companies reported financial results for the second quarter of fiscal 2017. Reported net sales for **Patterson Animal Health** were \$807 million, up 4% over last year and up 8% in constant currency. (*company website*)
- **Blue Buffalo Pet Products**, Inc. reported results for the third quarter of 2016. Net sales were \$288 million, an increase of 11% over the comparable prior-year period. Net income was \$21 million, down 21%; Adjusted net income was \$45 million, up 32%. (*company website*)
- **Krka** reported results for the first nine months of 2016. Animal health sales were EUR 50.4 million (\$53.5 million), an increase of 29% compared to the comparable period in the prior year. Animal health represents 5.9% of overall group revenues. (*Animal Pharm*)
- SeQuent Scientific reported results for its second quarter of fiscal 2017. Sales for subsidiary **Alivira Animal Health** were an estimated \$25 million. The managing director of SeQuent (Alivira's parent) stated that the Alivira business is now India's largest animal health company. (*Animal Pharm*)
- **Zomedica Pharmaceuticals** Corp. reported condensed unaudited interim consolidated financial results for the three months ended September 30, 2016. Zomedica recorded net loss of \$(1.0) million compared with a loss of \$(715,778) comparable prior-year period. Zomedica had cash of \$3.8 million at September 30, 2016. (*Globenewswire.com*)

COMPANY NEWS RELEASES

- **Bimeda**, Inc. announced it has acquired the marketing rights to **Ceva Animal Health**, LLC's portfolio of equine products in the US. The US portfolio comprises Tildren, altrenogest, ConfidenceEQ, and PentosanEQ. Bimeda also acquired the marketing rights for Tildren in Canada. Financial terms were not disclosed. (*company press release*)
- **Parnell Pharmaceuticals Holdings** Ltd. announced that it has entered into a \$20 million, senior secured, non-dilutive, term loan agreement with SWK Holdings. The Company intends to use the loan proceeds to repay the previously held \$11 million term loan with MidCap Financial and to fund R&D programs, commercialization of its companion animal products in the US and general company purposes. (*Globenewswire.com*)
- **Virox Animal Health** introduced Rescue Ready to Use Liquids and Ready to Use Wipes One Step Disinfectant Cleaner & Deodorizers. Rescue evolved from Accel, a human health brand of Virox's patented Accelerated Hydrogen Peroxide platform, and was designed specifically to meet the needs of the companion animal health market. (*Vet Advantage*)
- **VetDC**, Inc. announced that the Company has completed all required major and minor technical sections for Tanovea (rabacfosadine for injection) use in dogs with lymphoma and filed its administrative New Animal Drug Application (NADA) for conditional approval with the FDA's Center for Veterinary Medicine (FDA-CVM). An approval decision is anticipated within 60 days; upon approval, VetDC intends to commence commercialization in early 2017. (*company press release*)
- **Man's Best Friend Therapeutics** (MBFT) and The Wistar Institute announced a collaboration to advance a canine melanoma vaccine as a personalized, alternative strategy for the prevention and treatment of melanoma in dogs. (*company press release*)

- **Aptimmune Biologics** announced it has received \$100,000 in funding from The Yield Lab, an agriculture technology business accelerator in St Louis, Missouri. Aptimmune is using a swine macrophage cell platform for the development of its vaccines. Plans to launch autogenous mucosal vaccines to prevent major swine viral diseases such as porcine reproductive and respiratory virus and swine influenza. (*Animal Pharm*)
- **PetSmart** announced the opening of its 1,500th store. The new store in Colorado is the first store to include a Pinnacle Pet Nutrition section - an expanded collection of pet food products featuring high-protein, natural, grain-free, minimally processed and raw pet food. (*Pet Business*)
- **VitusVet** announced a partnership with Purview, a digital image platform, to introduce accessible digital imaging to the VitusVet app. The partnership will provide VitusVet pet owners the opportunity to view digital imaging directly from their phone and easily share it with family, friends and other veterinary practitioners in case of emergency. (*ITBusinessnet.com*)
- **Land O'Lakes** Inc. announced it has signed a letter of intent to acquire the animal feed business of **Southern States Cooperative** Inc. The purchase strengthens Land O'Lakes' number-two position in the feed industry with an combined estimated annual tonnage of 13,700 million metric tons. Financial terms were not disclosed. (*Feedstuffs*)
- **Nuzzle** announced it is launching its GPS-enabled smart collar for pets. While other pet collars charge a monthly fee, Nuzzle is opting for the one-time fee of \$190. Nuzzle also integrates pet insurance into the wearable experience to provide pet owners with a holistic solution. With the mobile app, users receive instant, hassle-free quotes through **Embrace Pet Insurance** and can manage policies and claims. (*Venturebeat.com*)
- SOUTH KOREA South Korea's Fair Trade Commission (FTC) announced that it has ordered **Boehringer Ingelheim** and Sanofi (**Merial**) to sell off assets related to animal health care business in the country within six months as their merger will limit market competition. Boehringer Ingelheim accounts for 85.1% in the porcine vaccine market and Sanofi takes up 4.4%, while a combined 66.9% of the pet drug market is occupied by the two companies. (*English.yonhapnews.co.kr*)
- JAPAN **Unicharm** has rolled out the world's first line of nursing care products for dogs over the age of seven. The company began selling a package of four products, under the new brand Unicharm Pet Pro, in cooperation with **Kyoritsu Seiyaku**. The packages come with a nursing mat, absorbent sheets, body wipes and a cleanser and is available through veterinary clinics in Japan. (*asia.nikkei.com*)

ANIMAL HEALTH NEWS

- US - FEED ADDITIVE REGULATION A working group at the FDA's Center for Veterinary Medicine (CVM) has finalized its report on proposed changes to improve the efficiency of approvals for the use of multiple new animal drugs in combination drug medicated feeds, while still protecting public health. The report can be read in full at <http://www.fda.gov/downloads/ForIndustry/UserFees/AnimalDrugUserFeeActADUFA/UCM529356.pdf>. (*FDA*)
- US - VETERINARY LICENSURE New York State recently passed a law that will give veterinarians state Continuing Education (CE) credit for providing free spay-neuter services

at shelters. The credit goes toward the state's Education Department requirement for a specified number of CE requirements for licensure. (*Vet Advantage - DVM360*)

BRAKKE CONSULTING VIEWPOINT

The consultants and staff at Brakke Consulting wish all of our U.S. friends and clients an enjoyable and safe Thanksgiving holiday!

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